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U.S. DEPARTMENT OF AGRICULTURE

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A Brief Summary of Economic Conditions

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FARM people are well aware of the Nation's need for all-out production of war crops this year. A new phase of the war is ahead, focusing on great offensives against the Axis strongholds of Europe and the Far East. Those campaigns, essential to victory, will require tremendous amounts of food and agricultural supplies. That farmers all realize the size of the food needs ahead and are responding to them is indicated clearly in the Crop Reporting Board's March report of farmers' intentions to plant. Acreage in many war crops seem likely to increase significantly, and total acreage in crops probably will surpass that of last year. There is still time for farmers to increase their acreages in some vital crops above the level indicated in the March report, of course. Present indications are that, with average yields for important food crops and with the continued upward trend in livestock production, total agricultural production in 1943 will be around 6 percent higher than in 1942. The amount of food crops needed, however, is virtually without limit, so that an increase above this figure would be of material help in winning the war.

Commodity Reviews

PRICES Wholesale and retail commodity prices have edged upward in recent months. Government price controls have been shifted gradually from a temporary toward a more nearly permanent basis, and many inequities under the temporary price ceilings have been eliminated.

Price rises in recent months have been greater for agricultural than for nonagricultural commodities. Some advances in nonagricultural prices have been permitted by the Office of Price Administration because of changed conditions, such as the increased cost of overland shipment of fuel, increased freight rates generally, additional Federal taxes levied on some commodities, higher wage costs incident to a longer work week in coal mining, and other reasons. In the case of agricultural commodities, the rises have been due in part to similar developments and in part to such factors as the absence of early price ceilings on many food commodities (at present over 95 percent of foods are subject to ceilings), correction of inequities imposed by temporary orders, and the need of price inducements to get added production sufficient for both war and civilian needs.

The rise in prices generally which has accompanied the development of the Office of Price Administration control program has been small, compared with what would have occurred without a program. This situation will also be true in the future. Canned foods is a case in point. Under rationing, civilians will be allowed a little more than 13 million cases of canned foods a month for the next 19 months, as against almost 30 million cases a month in 1941-42. With consumer income at record levels and still rising, there is little doubt but that canned goods prices would rise sharply in the absence of price controls. As

it is, price ceilings and rationing will prevent large price increases.

The future course of commodity prices will not reflect to the usual extent the expected further rise in consumer income relative to available supplies of goods. Rather, as a result of price controls, consumers will find that an unusually large portion of their expanded incomes will be available for saving. After the war is over these large savings will be available for replenishing depleted stocks of consumer durable goods and other uses.

PRODUCTION As a result of the large demand for farm products for war and increased income of domestic consumers, the Department has been urging farmers to increase production of vital war products; more recently 1943 acreage restrictions have been waived for corn and wheat and relaxed for cotton.

If corn producers plant their 1943 goal for war crops they may plant an unrestricted acreage of corn and still be entitled to any Government benefits which they otherwise would get. Similarly wheat acreage restrictions are removed, although to qualify for parity payments growers must plant 90 percent of war crop goals. Cotton acreage allotments may be overplanted by 10 percent without loss of Government payments or loan privileges. This would permit plantings of 30 million acres of cotton, compared with 23.3 million in 1942. Cottonseed is an important source of edible oil and of protein feed. Corn is the principal feed used in fattening meat animals. Wheat, although used chiefly as a bread grain, can be substituted for feed grains when the latter are not in ample supply.

In encouraging farmers to produce to the limit of their abilities the De-

partment will support prices by means of various programs. The Department also stands ready to aid farmers with their labor and machinery problems. About twice as much new machinery as originally planned for 1943 is to be made available to farmers, as well as more parts for keeping existing machines in repair. A large part of this increase, however, will not be available to farmers until next fall.

Farm income from marketings increased slightly in January, after allowance for seasonal factors, and in February showed about the usual seasonal decrease. February income from marketings of grains, dairy products, and meat animals was higher than in January, after allowance for the usual seasonal changes, but income from cotton, tobacco, poultry products, and possibly truck crops probably was lower. Marketings of cotton were down more than usual from January, truck crop shipments were reduced by a freeze and prices of eggs and tobacco fell more than average.

With prospective demand for most agricultural products in 1943 sufficient to absorb maximum possible production at ceiling prices, farmers can expect to receive about the same price for a large as for a small output. There are a few exceptions to this general situation, but in these instances farmers will be entitled to parity price payments on basic commodities if market prices stay below parity.

FATS AND OILS Butter, margarine, lard, shortening, and cooking and salad oils for consumers are now under rationing along with meats and cheese. Use of food fats by commercial bakers and other manufacturers of food products also are rationed. The total allocation of food fats is equivalent to 33 pounds per capita for the 9-month period, April-December 1943, or 44 pounds per capita on annual basis. Because consumption was at a higher rate in the first quarter of 1943, actual use this year is expected to

total about 46 pounds per capita. This would compare with an average of about 50 pounds in the past 3 years and 48 pounds in the 5 years, 1935-39. These figures are on the basis of fat content except for butter, which is on actual weight basis.

Corn, cottonseed, peanut, and soybean oils on April 16 were placed under direct allocation to refiners and manufacturers by the Food Distribution Administration. Purpose of this action is to assure equitable distribution of the available supply of these primary oils to manufacturers. Factory working stocks are now at about a minimum level, and any further decline in these stocks would create a serious supply situation for many manufacturers unless the stocks were well distributed.

Production of fats and oils from domestic materials set a new high record of 10 billion pounds in 1942 compared with 9.4 billion pounds in 1941. Output from domestic materials may reach 11 billion pounds in 1943. Domestic disappearance of all primary fats and oils, including imported oils, totaled about 10.5 billion pounds in 1942.

Flaxseed prices advanced rapidly in February, March and early April, continuing the rise begun in December. In early April prices were above parity. Receipts at terminal markets have been relatively light in recent months, and a strong demand from crushers has been supplemented by bids from seed dealers. Prices of linseed oil advanced from December to April. Prices of most other fats and oils remain at ceiling levels.

LIVESTOCK Marketings of livestock for slaughter in regular commercial establishments in recent weeks have been running substantially less than a year earlier and smaller than anticipated marketings based upon the record large 1942 production of live animals. Although it is impossible to determine exactly how much livestock has been diverted

to black market outlets, the amount of meat deducted from the inspected supply by this slaughter has been quite large, and Government procurement agencies have had difficulty in meeting war requirements.

To obtain necessary control over the meat supply, so that adequate amounts of meat may be obtained for direct war needs and so that civilian supplies may be equitably distributed, several steps have been taken recently by the Department of Agriculture. These include:

(1) Effective April 1, all livestock dealers are required to obtain permits to buy and sell livestock, and must keep complete records of their operations.

(2) Also effective April 1, all livestock slaughterers who sell meat (this excludes farm slaughter for home use) must obtain slaughter permits and must stamp their permit number upon each wholesale cut of meat sold.

(3) Effective March 5, slaughterers operating under Federal inspection are required to set aside for war uses designated percentages of their production, these proportions to be determined from time to time in accordance with requirements and supply conditions. In addition to these steps taken by the Department of Agriculture, the Office of Price Administration has begun a vigorous enforcement campaign of supply and price control measures already in effect. Specific dollars-and-cents ceiling prices for pork, effective April 1, have been announced, and will be extended to other meats as soon as possible. Rationing of meat by the Office of Price Administration was begun March 29.

DAIRY PRODUCTS

Cheese stocks have been declining more rapidly than usual during recent months largely because of an increasing civilian consumption due to the limited meat supply, a greater than usual decline in cheese production, and substantial lend-lease

shipments. Cheese production is now increasing by somewhat more than the usual seasonal amount. Cheese consumption is being checked by rationing. During January, manufacturer's stocks of evaporated milk increased contraseasonally by 14 percent indicating that current production, plus stocks recently released by the Department, is more than sufficient to satisfy current demands. Butter rationing also was started in March.

The number of milk cows on farms, totaling 26,946,000 head on January 1, 1943, was 2 percent above a year earlier and slightly above the previous January 1 peak reached in 1934. Although the number of cows and heifers eliminated from herds during 1942 was the largest since the drought years, 1934-36, sufficient 1- to 2-year-old heifers were on hand at the beginning of 1942 to bring about the increase in cow numbers.

POULTRY AND EGGS

More than a half billion chickens were on farms in the United States on January 1, exclusive of numbers on specialized farms housing broilers and fryers. Demand for baby chicks this spring is unusually strong in all areas. From 10 to 15 percent more chickens probably will be raised on farms this year than last. These indicated increases are in line with the expansion needed to reach the suggested chicken goal.

Supplies of chicken for consumption will be materially larger this year than in 1942, with most of the increase showing up in the second 6 months. Supplies will be at a seasonally low level for the next few months. In early March, prices of all classes of poultry were at ceiling levels with demand at most markets considerably exceeding supplies. Unusually heavy withdrawals of poultry from storage continued during March and stocks (at 35 markets) averaged 50 percent below last year and somewhat below the 1932-41 average for March.

Egg production is responding to the favorable relationship between feed prices and egg prices. There were 15 percent more layers on farms this February than last, and the rate of production per bird averaged 3 percent higher. Total output of eggs was 19 percent above that in February 1942. Much of the increased supplies this year apparently went into current consumption. Dried egg production has been only slightly larger than a year earlier and the quantities of eggs stored and used for hatching in January and February were a little larger than last year. Consumers are taking larger supplies of eggs at prices 20 to 25 percent higher than last year. The demand for eggs, no doubt, will increase much further with the institution of meat rationing. Egg production will reach the seasonal peak in April but if drying operations increase to near-capacity and the necessary quantities are stored for drying later in the year, supplies for consumers will be little different from a year earlier and probably short of the demand at ceiling prices.

On March 6, Maximum Price Regulation 333 went into effect establishing maximum prices that can be charged retailers for eggs graded according to the new Consumer Grade specifications. It does not control prices at the farm level. The cents-per-dozen ceiling for eggs varies seasonally, increasing from the March-May low to a November peak. The maximum levels were about the same as the current levels. Wholesale prices of eggs, of customary grades, advanced slightly during the first half of March and in the middle of that month were slightly higher than in mid-February.

FEED Strong demand for corn was an important factor causing cash and future corn prices to advance about 5 cents per bushel during the past month, as permitted by the change in corn ceilings. Prices of oats and barley advanced 2 to 4 cents per bushel. Prices of wheat millfeeds ad-

vanced to the maximum levels at Kansas City and Minneapolis, reflecting a stronger demand for these feeds and the increase in sale price of government feed wheat. Prices of most of the high-protein feeds continue at ceiling levels with production inadequate for the strong demand.

The demand for all kinds of feed will continue stronger in 1943 than in 1942. Livestock numbers (grain-consuming units) on January 1 were 11 percent greater than a year earlier and further increases are expected in the number of hogs and poultry during 1943. Livestock prices have advanced about 25 percent during the past year. Supplies of feed grains, if properly distributed, will be sufficient to meet livestock requirements for the country as a whole during the greater part of 1943. In the latter part of 1943 and in 1944 the adequacy of feed supplies will depend on the 1943 growing season and the extent to which supplies of wheat are made available for feeding.

With feed prices favorable for livestock production in the Corn Belt and with livestock production increasing in this area, indications are that less grain than usual will be available in 1943-44 for shipment to other areas. Therefore, it is desirable for farmers in other sections, especially in the northeast and in the south, to grow as much of their 1943-44 feed requirements as possible.

Prices of nearly all livestock advanced to new high levels in February and March, reflecting seasonally reduced marketings and continued strong civilian and war demands for meat. In early March the top price for hogs at Chicago advanced to \$16 per 100 pounds, the highest level reached in 22 years; and Choice steers reached \$17.40, the highest price since 1937.

Cash income received by farmers for meat animals in 1942 totaled 4.9 billion dollars, 1.6 billion dollars more than in 1941, and nearly 1 billion dol-

lars more than the record 1918 cash income. Much of the increase over 1941 was due to the materially higher level of prices received by farmers, but increased sales of livestock also contributed to the larger income in 1942 than a year earlier.

WOOL Wool production this year may be slightly less than the record 1942 production of 460 million pounds (greasy shorn and pull basis), because of a 3 percent decline from a year ago in number of sheep on farms. Contracting of the 1943 clip has begun in Texas and several other western States. The average price received by producers for their 1942 wool clip was 40.1 cents per pound, 4.6 cents higher than in 1941, and the highest price since 1920. Cash income from wool in 1942 totaled 157 million dollars, compared with 139 million dollars in 1941. It was the largest income from wool in any year on record.

Mill consumption quotas for civilian fabrics during the period February

1 to July 1, 1943, were increased considerably by an amendment to the Wool Conservation Order M-73 February 19.

Index Numbers of Prices Received and Paid by Farmers

[1910-14=100]

Year and month	Prices received	Prices paid, interest, and taxes	Buying power of farm products ¹
1942			
January.....	149	146	102
February.....	145	147	99
March.....	146	150	97
April.....	150	151	99
May.....	152	152	100
June.....	151	152	99
July.....	154	152	101
August.....	163	152	107
September.....	163	153	107
October.....	169	154	110
November.....	169	155	109
December.....	178	156	114
1943			
January.....	182	158	115
February.....	178	160	111
March.....	182	161	113

¹ Ratio of prices received to prices paid, interest and taxes.

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

	5-year average, August 1909-July 1914	March average, 1910-14	March 1942	February 1943	March 1943	Parity price, March 1943
Wheat (bushel).....cents..	88.4	88.9	105.1	119.5	122.7	142.3
Corn (bushel).....do.....	64.2	61.3	78.4	90.4	94.8	103.4
Oats (bushel).....do.....	39.9	40.3	51.9	55.5	58.4	64.2
Rice (bushel).....do.....	81.3	-----	¹ 169.3	174.7	180.2	130.9
Cotton (pound).....do.....	12.4	12.4	18.06	19.68	19.91	19.96
Potatoes (bushel).....do.....	69.7	67.5	103.9	125.7	145.1	116.1
Hay (ton).....dollars..	11.87	12.06	11.03	11.94	12.28	19.11
Soybeans (bushel).....do.....	-----	-----	1.79	1.60	1.65	1.55
Peanuts (pound).....cents..	4.80	4.8	6.03	6.45	6.83	7.73
Peanuts for oil (pound).....do.....	-----	-----	4.05	4.03	3.82	3.78
Apples (bushel).....dollars..	.96	1.11	1.30	1.71	1.85	1.55
Hogs (hundredweight).....do.....	7.27	¹ 7.51	¹ 12.51	14.63	14.67	11.70
Beef cattle (hundredweight).....do.....	5.42	¹ 5.52	¹ 10.10	12.36	12.80	8.73
Veal calves (hundredweight).....do.....	6.75	¹ 6.91	¹ 12.08	14.18	14.45	10.87
Lams (hundredweight).....do.....	5.88	¹ 6.13	¹ 10.62	13.77	13.98	9.47
Butterfat (pound).....cents..	26.3	27.1	35.7	50.0	50.5	² 42.9
Milk, wholesale (100 pound).....dollars..	1.60	1.64	¹ 2.49	¹ 3.08	⁴ 3.04	³ 2.54
Chickens (pound).....cents..	11.4	11.4	18.0	22.8	23.5	18.4
Eggs (dozen).....do.....	21.5	19.6	25.8	34.2	34.0	³ 28.4
Wool (pound).....do.....	18.3	18.7	¹ 38.6	39.8	40.3	29.5
Tobacco:						
Fire-cured, types 21-24 (pound).....do.....	² 13.6	-----	12.9	17.0	16.1	13.9
Cigar binder, types 42-56.....do.....	² 20.2	-----	14.0	16.3	18.8	20.6

¹ Revised.

² Base price crop years 1919-23.

³ Adjusted for seasonality.

⁴ Preliminary.

WHEAT Wheat prices on March 9 generally were up 5 to 6 cents compared with mid-February. Buying was stimulated by legislative consideration providing for price ceilings at full parity. Prices of soft red winter wheat, the supply of which is very limited, are now above the parity equivalent at terminal markets. However, the continuation of relatively heavy marketings, which is probable as the result of prices which are attractive to growers with wheat under loan as well as holders of free wheat, would be expected to restrict advances of other types of wheat. In order to relieve the squeeze in the millers' margin brought about by advancing soft red wheat prices and the flour price ceiling, the price ceiling on this type of flour on March 2—was raised from what amounted to a wheat price equivalent of 92 percent of the February 15 parity to 100 percent. The flour ceilings on other types of wheat remain unchanged, the wheat price equivalents of which are about 86 percent of the February 15 parity. Compared with the calculated wheat price equivalents of the flour ceilings, on March 9 prices at Kansas City (hard red winter) were 6 cents above, at Minneapolis (hard red spring) 2 cents above, and at Portland (soft white) 3 cents below.

VEGETABLES Fresh vegetable prices generally continue at the highest levels existing for more than a decade. Prices of most fresh vegetables rose sharply following the mid-February frost. In an effort to protect consumers from this rapid price rise, the Office of Price Administration established maximum prices for snap beans, tomatoes, cabbage, carrots, and green peas at the highest price during the 5-day period, February 18-22; and on February 25 maximum prices were established for lettuce and spinach at the highest price charged during the 5-day period, February 20-24. These orders are temporary and will be replaced by

permanent orders within 60 days. Carrot, lettuce, and tomato prices for the first week in March were somewhat below the apparent ceiling levels while other fresh vegetables, subject to price control, were selling at ceiling levels.

Early frosts in winter vegetable areas have delayed the vegetable season. Replantings in Florida are expected to come into production about the middle of April, with volume production coming about May 1. Tonnage of commercial vegetables produced to date this season is expected to total 11 percent below last year's for the same period. This decrease is due to reductions in acreage harvested, partly because of frost damage, but primarily because of reduced plantings. Although April and May supplies of vegetables in general are expected to be more abundant than in earlier weeks, supplies of cabbage, cucumbers, egg plant, onions and lettuce are expected to be considerably smaller than those of last season.

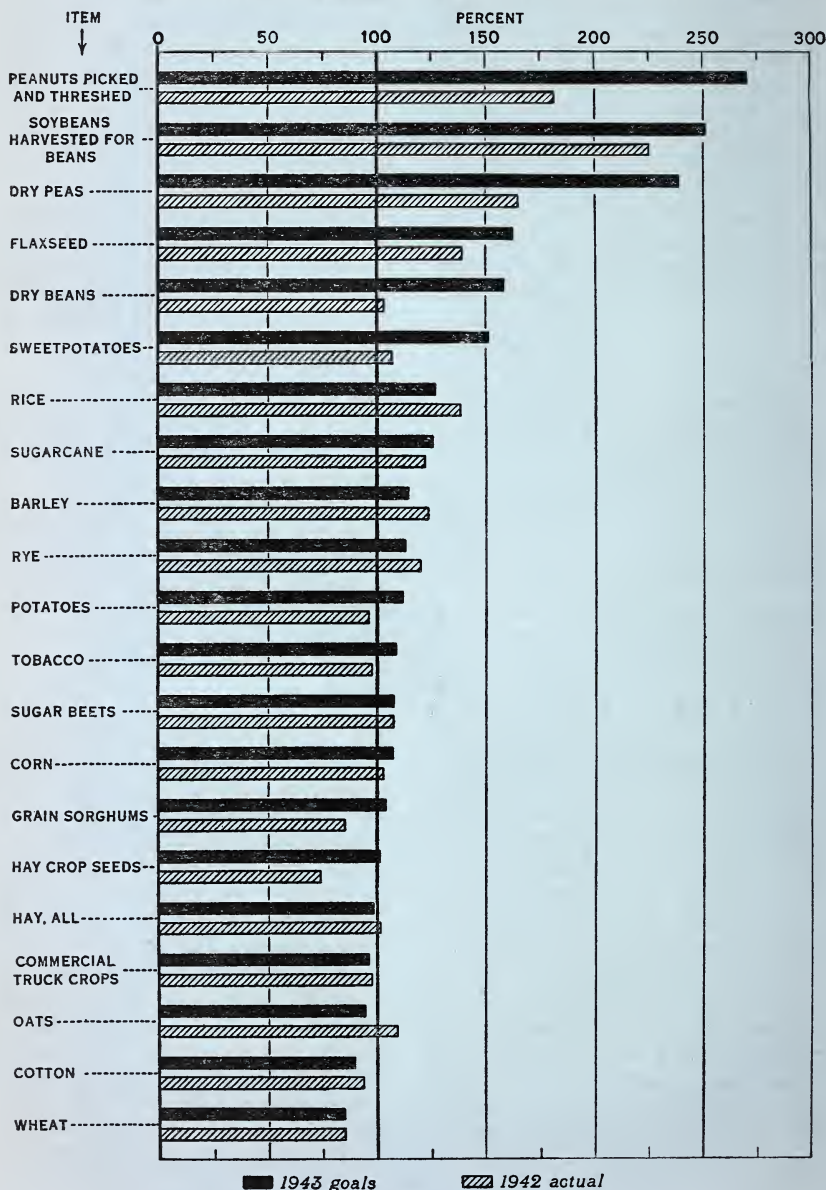
As rationing of processed vegetables probably will stimulate further the greatly increased demand for fresh vegetables, relatively short supplies of some vegetables during the next month may prevent prices from dropping below ceiling levels.

FRUITS Most fresh fruit prices continue far above the levels of a year ago and total carlot shipments have decreased from the peak movement of mid-March. The California orange crop was estimated on April 1 at 42.2 million boxes; the Florida orange and tangerine crop was 40 million boxes. The total orange and tangerine crop is expected to be about 2 percent larger than that produced last season. City auction prices of Florida oranges declined in the last half of March, while California orange prices remained steady to firm. All sales of California oranges were made at or near the established ceiling prices.

COTTON Mill consumption of cotton totaled 7.5 million running bales during the first 8 months of the current season. This compares with 7.3 million bales during the corresponding period last season—an increase of 3.5 percent. Continuation

of consumption at the average daily rate for the 8 months (Aug.—Mar.), would give a total consumption of about 11.3 million bales this season. This includes nearly 200,000 bales of foreign-grown cotton.

WARTIME SHIFTS IN CROP ACREAGE
1943 GOALS AND 1942 ACTUAL AS PERCENTAGES OF 1940



WAR AGAINST THE BLACK MARKET

A principal policy of the Department of Agriculture always has been to encourage the American way—a fair share of nutritious food for everybody. Lately this objective has received a crushing blow in the illegal traffic in meats; a black market which is snatching meat from the mouths of our fighting men and Allies. Those engaged in this shady and unpatriotic business are cutting sharply into the legitimate channels of livestock. Operating on a tremendous scale, they are like giant bloodsuckers, draining off the life blood of food supply.

As Secretary Wickard pointed out the other day, "Potentially the black markets represent not only lawlessness, but a threat to one of our most vital weapons of war. A waste of our food resources now may prolong the war and will cause the death of thousands upon thousands of American boys."

Black marketeers in meat include several types of lawbreakers. There is the small-town racketeer who slaughters more cattle or hogs than permitted under Government regulations, and who sells this meat to dealers and others who are willing to pay above market prices.

Then, there is the big operator, usually in our larger cities, who sells meats to butchers for prices higher than those permitted by the ceilings of the Office of Price Administration. Also, a few unscrupulous wholesalers and retailers up-grade meats they have bought in the black market and gouge the increased cost out of consumers.

Some dealers and farmers unknowingly have become tools of the black market operator, because they do not know the Government regulations and consequently do not realize their mistakes. They do not know that since October 1, 1942, their sales of dressed meat from their own slaughter were ordered limited to the same quantities they sold in the corresponding quarter of 1941. Those who did not slaughter

and sell meat in 1941 were not permitted to enter the business unless they obtained special quotas. A few farmers have been reported dressing their own meat and selling it for as high a price as the traffic will bear.

For the most part, however, farmers cannot be certain whether or not they are selling their livestock to the first link in the black market chain. The only indications pointing to the black market connections of a buyer may be his willingness to pay prices higher than the market, or his willingness to buy poor and diseased stock at attractive prices.

Two far-reaching orders have been issued by the Secretary of Agriculture to correct the dangerous meat situation. They became effective midnight March 31. One requires all slaughterers, including farmers and local butchers, to obtain permits to slaughter cattle, calves, hogs, sheep, or lambs for the sale of meat. The second order requires all livestock dealers and handlers to obtain permits to buy and sell livestock. These orders are needed to get the black market under control. The Department intends to enforce these orders to the limit of its resources. If additional legal measures are needed, or if changes in the orders are necessary, the Government will take prompt action to provide them.

To insure the greatest possible success of the slaughter and livestock dealer permit plans, they will be administered by State and County War Boards and Federal meat inspectors and graders. This task demands the wholehearted cooperation of every farmer, every consumer, every packer, and every dealer.

The Slaughter Permit Order sets up three classes of slaughterers:

1. "Local slaughterers" are those who produce less than a half million pounds of meat per calendar quarter, but who in 1941 slaughtered livestock

with a total live weight of more than 300,000 pounds (any slaughterer whose meat production per quarter exceeded one-half million pounds was required to register with the OPA as a quota slaughterer under the Meat Restriction Order which went into effect, October 1, 1942).

2. "Butchers" are those persons other than farm slaughterers who in 1941 slaughtered livestock with a total live weight of less than 300,000 pounds.

3. "Farm slaughterers" are those persons who slaughtered livestock for the sale of meat who are resident operators of farms and chiefly engaged in the production of agricultural commodities and whose slaughter of livestock for the sale of meat in 1941 did not exceed 10,000 pounds, live weight.

THE quota for each local slaughterer is 80 percent of his monthly dressed weight slaughter in 1941 for beef, veal, and lamb, including mutton, and live weight of hogs slaughtered. The quota for each butcher is his choice of the total live weight of livestock he slaughtered in each month of 1941, or the number of each of the four types of livestock he slaughtered in each month. Permit issuing agencies are authorized to issue the following quotas to farmers who did not slaughter livestock in 1941, or who do not furnish any record of their 1941 slaughter: (1) 300 pounds of meat, or (2) any part of the meat produced from the slaughter of three animals which may include not more than one head of cattle. Those farm slaughterers who want larger slaughter sales quotas than these amounts are limited to their choice of (1) the total live weight of livestock they slaughtered in the corresponding quarter of 1941, or (2) number of each of the four types of livestock they slaughtered in the corresponding quarter of 1941.

Anyone who slaughters livestock and sells meat will be required to obtain a permit. Farmers who slaughter meat animals must have permits if they intend to sell all or part of their meat.

Farmers get their permits from their County Agricultural War Boards. In large cities butchers and meat packers get their slaughter permits from the designated meat inspection or grading offices of the U. S. Department of Agriculture. Butchers and local slaughterers in smaller cities will apply to County War Boards.

Each slaughterer is issued an individual permit number. This phase of the plan is specifically designed to sound the death knell of the "black market" operators. With every wholesale cut of meat sold in the open market marked with a slaughter permit number plainly stamped upon it, no illegal meat can be placed in the butcher's coolers or showcases without being spotted immediately.

BESIDES obeying the new government rulings, here's what the farmer can do to fight the black market: Each time he buys or sells any livestock he should keep accurate records of the deal. Even if he buys or sells only one head, even if he is buying or selling purebred animals to be used only as breeding stock, he should record each sale.

Chances are that most farmers already are doing this, for good business sense and the income tax laws dictate such a policy. Each time a farmer buys or sells a meat animal he must record the number of their head and their description and weight, the name and address of the man to whom he sold them, the date and the price. He should keep these records regularly and stand ready to show them to responsible officials. This helps provide a check on black market operators.

Another way for the farmer to help out is by reporting suspicious characters to his War Board. If a dealer approaches a farmer and offers a price out of line with regular market prices, he may be one who is planning to bypass legal meat marketing channels. The farmer should record the license number of his truck and write down a careful description of the dealer, for information of the local War Board.

If the dealer is dishonest, his dealings are hurting the farmer far more than the farmer will be helped by the extra price he gets for his animals.

Farmers who, in response to the Government's call, have produced more and more livestock, are working harder, longer hours to do it, should remember this: A large part of this work and expense in raising these animals is wasted if they go to black market slaughterers. The black marketeers often use little care in taking off the hide, perhaps ruining it for leather purposes. Sometimes they burn the hides to destroy evidence. They may throw away the hearts, livers, heads, and other byproducts which a legitimate packing plant could sell as variety meats or transform into badly needed antitoxins and soap. A lot of meat may spoil, for good refrigeration under such black market conditions is practically impossible. Every animal slaughtered illegally sabotages the war program.

FARMERS should continue to produce meat animals at top speed, with the knowledge that every pound of beef, pork, veal, lamb and mutton is important to victory. If every livestock producer makes it his personal

responsibility to see that his meat animals get into honest hands, he will be taking a long step toward stamping out black markets. This worse-than-dangerous market not only has seriously diverted meat supplies which should have fed our armed forces and Allies but also it has kept large amounts of needed food from getting to civilian war workers.

Now, how can the farmer help in the Government's rationing plan? The farmer does not give ration stamps for the meat, butter, lard or any other of the rationed commodities his family, consumes from his own production. He is consuming his own property.

But if the farmer sells rationed commodities to either consumers or retailers, he must collect ration stamps for what he sells whether it be meat butter, lard, or whatnot. The stamps must be mailed or taken to his local Rationing Board.

In brief, the farmer must take every precaution to see that his produce—and ration stamps—do not fall into the hands of racketeers and support the Black Market.

WILLIAM O. FRASER,
Food Distribution Administration.

PROSPECTIVE CIVILIAN FOOD SUPPLY

THE annual March "Prospective Plantings" survey indicates nearly a 4 percent increase over 1942 in acreage of the major spring crops to be planted in 1943. Assuming average yields and a continuation of the present trend in livestock production, the production of food for human consumption in 1943 will be about 30 percent larger than the yearly average for 1935-39 and about 3 percent larger than the production in 1942. The production in 1942 was the largest on record. Twenty to twenty-five percent of the 1943 production will be allocated to lend-lease and our military forces and the remaining 75 to 80 percent will be allocated to civilians.

The civilian share of the total food in 1943 will result in a per capita consumption about as large as the yearly average in 1935-39 and with rationing of most of the important foods in effect, the supply will be more evenly distributed than it was in 1935-39.

The present estimates of the civilian food supply for 1943 are, of course, subject to major revisions. The prospective planted acreage of food crops, on which present estimates are partly based, does not constitute a forecast of the actual acreage to be planted this year. Changes in the acreage intended to be planted can be made before planting time, and strenuous efforts are being made this year to

induce farmers to increase acreage of various food crops such as peanuts, sugar plants, dry beans, and potatoes, above the levels indicated by the Intentions Report. The estimates are also contingent upon the weather. Above average weather such as that in 1942 would make a substantial contribution to our food supplies. Below average weather would, of course, reduce the total production below expectations.

Military developments will also have a direct bearing on the amount of food that civilians will have in the near future. As parts of occupied Europe are reconquered by the Allies, large supplies of food will be required to feed the liberated peoples. While a considerable portion of the needed foods will be supplied by our Allies and neutral countries, the United States will have to bear a substantial part of this burden. The major relief requirements will undoubtedly consist of cereals. However, to supplement the deficient diets of the people in the reoccupied regions, large quantities of the "protective" foods such as milk, meat, eggs, vegetables, and fruits will have to be shipped to them. In addition, great quantities of seed and other farm materials will need to be furnished so that local production can be expanded as rapidly as possible.

A COMPARISON of the consumption in 1935-39 with the present tentative estimates of the civilian supply in 1943 shows that only the per capita supply of fish, butter, canned and dried fruits, canned vegetables, dry edible beans, and sugar will be lower this year than in the pre-war period. On the other hand, the per capita supply available to civilians of poultry, eggs, fluid milk and cream, total fats and oils, fresh citrus fruits, and canned juices is expected to be larger. In addition, the supply of meats is expected to be about as large as in 1935-39 and the supply of cereals (except for rice) is plentiful.

Although present estimates point to a civilian per capita food supply about as large as in the pre-war period, the 1943 food situation as a whole will be vastly different from the pre-war situation. Now there are shortages in the major food commodities and Government rationing of many foods is necessary. In 1935-39 shortages of this kind did not exist and rationing of food was not considered necessary. The greatest single factor responsible for this changed situation is the increased purchasing power and the resulting increased civilian demand for food at the prevailing ceiling prices. Because of increased employment and larger pay rolls consumers spendable income in 1943 is expected to be about 90 percent larger than in 1935-39. While in normal times a substantial part of this increased income would have been spent on durable goods, such expenditures will be restricted this year as many of the durable goods are no longer being manufactured. More of the increased income, therefore, becomes available for the purchase of food. Without price controls and with a limited food supply the additional purchasing power would be absorbed by rising prices which would adjust the demand to the supply. However, with price ceilings placed on most foods the demand greatly exceeds the supply and shortages result.

The discrepancy between the demand and the supply is illustrated by the following examples: During the period 1935-39, the average per capita consumption of all meats was about 126 pounds. The supply available in 1943 will be about as large. However, present estimates indicate that the average civilian demand for meats in 1943 at ceiling prices may be as high as 160 pounds per capita. Again, the average per capita consumption of all food fats and oils in 1935-39 was about 48 pounds. The estimated demand in 1943 is about 55 pounds per capita, while the civilian

supply of fats and oils for the year as a whole is expected to be about 46 pounds.

PROBABLE shortages in substitute foods which are not taken into consideration in estimates of demand tend to further increase the gap between the effective demand and the available supply. For example, because of relatively high ceiling prices and because, normally, cheese consumption is not an important factor in the American diet, the estimated demand for cheese in 1943 is only about 7 pounds per capita. However, this estimate assumes that the supply of substitute foods will be adequate. But with the expected shortages in meat, the demand for cheese may be as high as 10 pounds per capita. The amount of cheese that will be available for civilians in 1943 is 5.7 pounds per capita. Similarly, the civilian demand for chickens in 1943 is estimated at about 26 pounds per capita (dressed weight). As a result of the increased production the civilian per capita supply is expected to be about 28 pounds per capita. However, considering the shortages in meats and other protein foods the demand for chickens probably will exceed even this record supply.

This unusually large civilian demand and the limited food supply available to civilians creates local and over-all shortages. Although, with approximately the same supply, shortages of this kind were not experienced in 1935-39, these shortages in 1943 are none the less real to the millions of people who are for the first time in financial position to buy the quantity and quality of foods they have always desired. The fact that the great majority of civilians are involved in strenuous war work magnifies the hardships caused by the shortages. These hardships during the war period

cannot be avoided, but they can be alleviated through rationing of the scarce commodities. Rationing of scarce commodities does not increase the average per capita supply, but it does tend to distribute it more evenly, and by relieving the pressure on price ceilings it makes price controls more effective.

Thus it appears that while military and lend-lease requirements account for a large portion of our total food supply, these requirements cannot be given as the main reason for rationing of foods. Rationing is necessary primarily because of the unusually large civilian demand. With price ceilings placed on foods, but without rationing, distribution of the supply to consumers would be highly irregular and uneven. With a large demand, food stocks would be depleted before they could be replenished and consumption could not be maintained at a constant level throughout the year as no reserves could be built up during the season of high production. For the millions of people who have recently moved into the upper income groups, the ration allotments will be less than what they would like to buy at present ceiling prices, but more than they could afford previously.

M. A. GIRSHICK,
Bureau of Agricultural Economics.

Apparent civilian consumption per capita, 1935-39 average and estimated 1943

Commodity	1935-39	1943
	<i>Pounds</i>	<i>Pounds</i>
Total meats.....	126	124
Fish.....	13.0	8.6
Poultry.....	20.7	32.3
Eggs.....	37.5	39.9
Fluid milk and cream.....	342.3	396.7
Butter.....	16.8	12.7
Fats and oils.....	31.5	33.7
Fresh citrus fruits.....	48.2	53.9
Canned fruits.....	15.0	7.6
Canned juice.....	5.2	5.9
Dried fruits.....	6.1	4.1

FARM WAGE STABILIZATION

WITH farm wages commanding considerable attention these days because of their bearing on the farm labor supply problem, a review of the farm wage stabilization order and its background is in order.

Under the act of October 2, 1942 (Public Law 729, 77th Cong.), which is entitled "An Act to amend the Emergency Price Control Act of 1942, to aid in preventing inflation and for other purposes", the President was authorized to issue a general order stabilizing prices, wages and salaries affecting the cost of living. Such stabilization was to be, as far as practicable, on the basis of the levels which existed on September 15, 1942.

The act further provided that the President may thereafter provide for making adjustments with respect to prices, wages and salaries to the extent that he finds it necessary to aid in effective prosecution of the war or to correct gross inequities.

First action taken under the authority of this act was the issuance of Executive Order No. 9250, which gave to the National War Labor Board the authority and duty to administer the wage and salary policy. The order had the effect of placing a stop-order or a "freeze" on *wages* as of October 3, 1942, which was its effective date. Thereafter all wages as defined in the order could not be increased except upon the War Labor Board's authority.

THIS order does not directly define wages but does define salaries to mean remuneration for services regularly paid on a weekly, monthly, or annual basis and hence, wages would be all compensation for services otherwise paid, particularly those on a daily, hourly, or piece-rate basis.

Executive Order No. 9250 was followed, on October 27, by an order or directive of Economic Stabilization Director Byrnes, and approved by the President, which did two major things

in the structure of the administration of stabilization: (1) It divided the jurisdiction over the administration of the wage and salary policy between the National War Labor Board and the Commissioner of Internal Revenue; and (2) it placed a "freeze" on salaries as of October 27.

The War Labor Board retained jurisdiction under the October 27 order over all wage payments and over all salary payments not exceeding \$5,000 per annum, if the employee is either represented in his relations with his employer by a duly recognized or certified labor organization or is other than a *bona fide* executive, administrative, or professional employee. Conversely, therefore, the Commissioner of Internal Revenue has jurisdiction over all salary payments in excess of \$5,000 and all salary payments less than \$5,000, where the employee is in a *bona fide* executive, administrative, or professional capacity and is not represented in his employer relations by a duly recognized or certified labor organization.

This was the general status of the wage and salary stabilization system when, on November 30, the Director of Economic Stabilization, with approval of the President, amended the October 27 order to transfer jurisdiction with regard to agricultural labor to the Secretary of Agriculture.

TWO most notable features of the November 30 order are: (1) The definition of "agricultural labor" which has the effect of severing jurisdiction between the Secretary of Agriculture, on the one hand, and on the other, the War Labor Board or Commissioner of Internal Revenue, at \$2,400 per annum; and (2) to provide that, until action is taken by the Secretary to the contrary, wages and salaries of agricultural labor may be increased without approval.

The order defines "agricultural labor" to mean "persons working on

farms and engaged in producing agricultural commodities, whose salary or wage payments are not in excess of \$2,400 per annum." The Secretary is authorized to issue, by regulations, necessary interpretations of this term. He also is given power corresponding to the other agencies in the field to determine whether any salary or wage payments to agricultural labor are made in contravention of the act of October 2 or of any rulings, orders, or regulations thereunder.

Authority of the War Labor Board over disputes between employers and employees relating to salaries is expressly preserved. In view of this provision, if the employer is not willing to make a wage increase, he is not required to do so by the order of November 30, but rather, the dispute between the employer and employees would be referred to the War Labor Board which has full authority to make the settlement. Like, also, the authority of the War Labor Board and the Commissioner of Internal Revenue, any determination by the Secretary of Agriculture is conclusive under this authority for any purpose for which the level of salaries paid to employees is material.

The proviso of the order which currently is of the most purport is Section 4001.5 (b), which provides, in substance, that wage and salary increases for agricultural labor are not to be found in violation of the act or of any rules, orders, or regulations thereunder, unless and until the Secretary determines and gives public notice thereof, that, with respect to areas, crops, classes of employers, or otherwise, increases in salaries or wages for agricultural labor may no longer be made without the approval of the Secretary.

AS reasons for this general "unfreezing," the section recites that it is done: "Considering that the general level of salaries and wages for agricultural labor is substandard, that a wide disparity now exists between salaries and wages paid labor in agriculture and salaries and wages paid

labor in other essential war industries, and that the retention and recruitment of agricultural labor is of prime necessity in supplying the United Nations with needed foods and fibers, and in order to correct and adjust these gross inequities and to aid in the effective prosecution of the war. * * *"

Formal interpretations of the order are contemplated and may be issued from time to time by the Secretary. The first official determination of maximum wages under Section 4001.5 (b) was made on April 14, when the War Food Administration established maximum wage rates for work in connection with harvesting of asparagus for canning and freezing in Sacramento, San Joaquin, Yolo, Solano, and Contra Costa Counties, California.

This fact should be brought out in a discussion of the farm wage stabilization order: Even if there were no such order, the overwhelming majority of farmers have eight or less employees. Hence, employees on such farms would be exempt from wage stabilization restrictions even without the creation of this jurisdiction of the Secretary over farm wages, since general orders of the War Labor Board and regulations of the Commissioner of Internal Revenue have excluded payments to employees in establishments employing eight or less persons from the wage and salary "freeze."

Another fact that needs to be emphasized is that where the wages or salaries of agricultural workers exceed \$2,400 per annum, the jurisdiction of the Secretary ends and the application for the wage or salary increase must be made to the War Labor Board or the Bureau of Internal Revenue, depending upon the nature of the wage or salary. It is notable, in this connection, that many, if not a majority of such cases, would probably go to the Bureau of Internal Revenue since a farm employee earning more than \$2,400 per annum is usually a salaried supervisory employee.

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War Food Administration

SHORT CUTS IN FARM WORK

SCARCITY of farm labor and limitations on the supply of farm machinery are creating an interest among farmers in a subject with which industry has been familiar for several years but which is fairly new to agriculture in this country. That subject is work simplification.

Industry has used time and motion study and work simplification and similar methods to increase the effectiveness of their workers to a very considerable amount. In Europe, farm experts have applied these principles to agriculture, with good results. A few experimental studies in this country have indicated their value.

Some farmers do about twice as much work as others and seem to do it with no more effort. The reasons for this difference in production per man in industry have been found and reduced to simple work rules. These rules, though used extensively in industry, have never been made generally available to farmers. They have used labor-saving machinery, but when it comes to saving body energy and fatigue, only a few farmers have been able to work out for themselves the simpler and easier methods.

THE human body can only deliver about one-tenth of one horsepower continuously for a long period of time—about as much as is needed for generating a 75-watt light globe. In times like these, when production per man needs to be about twice what it has been in the past, it becomes the patriotic responsibility of every farmer to not only use his own energy to the very best advantage but also to help to develop the abilities of hired help and members of his own family to use their energy to the best possible advantage. Listed below are the rules that have made work simpler and easier in industry. It is suggested that each farmer ask himself these questions about everything he does:

1. Is the job absolutely necessary? What would happen if I didn't do it?

Indiana tomato farmers are growing tomatoes without transplanting, thus cutting out one whole operation and increasing the yield.

Some New Jersey poultrymen are eliminating drop boards, or putting in sloping ones and cleaning out the chicken house only two or three times a year. Others are putting feed bins in poultry houses, thereby making the carrying of feed unnecessary.

2. Can this job be done as a part of some other job, so that both jobs can be done in same time it would take to accomplish one?

Many farmers, especially those with the larger tractors, are tying two or three farm tools together, thus shortening tillage time. For example, a harrow behind a plow, a harrow behind the disk. Farmers using horses even tie one team on behind another implement.

3. Can the job be made easier and simpler? Can the hand and foot travel be reduced? Are both hands used to the best advantage?

It is only natural when cleaning a brooder house, for example, to begin near the door and work toward the far corner, carrying the trash and litter over the chicks and scaring them. A simpler and easier method is to clean out the far corner first. Bed it down and drive the chicks upon the clean litter, then go ahead and clean out the rest of the house. This saves steps and makes the limited energy of a man on a farm go much farther. Every step saved can be used on other important work; wasted steps are useless. Just because a bench, harness hook, hay chute, or a path to the barn has always been in the same place, does not

prove that it is in the best place. Planning barn chores prevents back-tracking, going empty-handed, and other lost motion. Livestock responds to system and smooth operations in doing work.

Saving steps is a part of a motion-saving attitude. Anyone who wishes to save human energy must have this attitude as a part of his thought processes.

MUCH bending and suffering can be saved by giving consideration to the following simple rules.

1. Always keep the back as near straight as possible.
2. When lifting shift the load from the back to the big leg muscles.
3. When heavy loads must be carried, balance them as well as

possible and try to keep the back nearly straight.

4. Many loads can be slid, rolled, or dragged short distances to avoid lifting. Sometimes levers may be used. Skids, ropes, hillsides, and other advantages to prevent undue fatigue may be employed.
5. These principles, applied when practicable, greatly increase production and lessen fatigue.

The slower, easy-going farmer whose every action is studied and effective, working steadily throughout an average working day, is generally the one who has the greatest return.

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*Office of Personnel,
U. S. Department of Agriculture,
March 11, 1943.*

FARM LAND VALUES CLIMB

SHARPLY increased farm-real-estate values as well as a continued heavy demand for farm properties characterized developments in the farm-real-estate market during the past year. Preliminary results of the Annual Farm Real Estate Survey by the Bureau of Agricultural Economics indicate an increase in values of 9 percent for the Nation as a whole during the year ended March 1, 1943. This increase brings the index of values to 99 percent of the pre-World War I base period (1912-14=100), compared with 91 on March 1 a year earlier, 85 in 1941, and 73 in 1933.

The 9-percent increase in values for the past year is the largest annual value rise since the World War I period, being practically equal to the annual increases from 1917 to 1919, and is significantly exceeded only by the 21-percent increase which occurred during the year ended March 1920.

Land value increases during the last year were widespread with some advance reported for each of the 48 States. Increases of 12 percent were reported for the East South Central group of States; 10-percent increases occurred in the Middle Atlantic,

West North Central, Mountain, and Pacific Divisions. The increases in other areas ranged from 7 to 9 percent except in the New England States where values rose only 3 percent. While values for the country as a whole are now only 1 percent below the pre-World War I base, values in 30 States are equal to or above this base period level. Eleven States reported value increases amounting to 12 percent or more and 14 States showed increases ranging from 10 to 12 percent.

THE year just past marked the second consecutive year with farm-real-estate value increases reported for each State. During this 2-year period, values for the country as a whole increased more than 16 percent. Compared with 1941 levels, values in two geographic divisions—the East North Central and East South Central—are higher by 20 and 23 percent respectively. Increases for this two-year period in four geographic divisions ranged from 15 to 18 percent, 2 divisions increased 13 percent, and 1 division 5 percent.

Values in Kentucky have increased 29 percent and in Indiana 27 percent since 1941. Increases of 20 to 24 percent occurred in 13 States, 15 to 19 percent in 16 States, 10 to 14 percent in 11 States and less than 10 percent in 6 States.

Since the start of the war, there have been strong opposing forces operating in the farm-real-estate market. The major value-stimulating influence has been the high level of demand for agricultural products, with resulting high farm prices and incomes. Prices received by farmers during 1942 averaged almost 29 percent above 1941 and 60 percent above 1940. Increases in farm prices during the year were only partly offset by increased costs, so that purchasing power of farm products is currently higher than at any time since immediately following the first World War.

Encouragement of expansion in production of many commodities and unusually favorable weather conditions resulted in a record volume of agricultural production in 1942. This record crop, marketed at favorable prices, raised farmers' cash income from marketings and government payments to the estimated total of 16.1 billion dollars, or 37 percent more than in 1941 and 77 percent above 1940. The increased farm income of the past 2 years has enabled many farmers, both owners and tenants, to accumulate sufficient funds to buy land.

INCREASING demands for agricultural products resulting from expanding military and lend-lease requirements as well as higher domestic demands assure favorable agricultural prices for the duration. Thus, the immediately prospective high returns from farming make the purchase of farms attractive to both farmer and nonfarmer investors. The general belief that ownership of a farm is a hedge against inflation also has been a factor in investor purchases. While some of these buyers may sell again within the next few years, so far there

seems to have been relatively little short-run speculative activity such as accompanied the upsurge in values in 1919 and 1920.

The above-mentioned influences are of a type which have tended to increase the demand for land, while favorable returns have made individual owners more reluctant to sell except at increased prices. This factor has become increasingly significant as the recent large holdings of lending agencies have been depleted in most areas.

Factors operating to curb the effects of the value-stimulating influences include not only those of immediate significance in farm operation, but also those likely to be important during the next few years. Thus, the effect of the favorable farm product price situation on the farm real-estate market is somewhat dampened by existing or expected farm labor and machinery shortages. Labor shortages are likely to be especially acute in areas having seasonal labor requirements, and land values in these areas may show relatively little response to continued high prices for the products produced.

HIGHER costs and shortages of other commodities used in production, farm commodity price controls, transportation difficulties, conservative loan policies by the major institutional lenders, and the confused post-war outlook have had and probably will continue to have a depressing influence on farm land values. Likewise, heavier taxation, accelerated rates of debt retirement, and further increased absorption of purchasing power through purchase of war bonds can have a distinct curbing influence on the farm-real-estate market.

Another factor influencing the land market, and one which should continue to be important, is the recollection of the course taken by land values during and immediately following World War I and the results of the "land boom" in ensuing years. At that time,

failure to appreciate fully the abnormalities of the prevailing income and price levels and the unlikelihood of their continuance appears to have

been the underlying cause of a host of difficulties later on.

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FROZEN FRUITS AND VEGETABLES

START of canned goods rationing has brought sharply home the fact that supplies of canned fruits and vegetables for civilian consumption will be limited for the rest of the war.

This prospect is based on three conditions: (1) Supplies of tin and steel for use in making tin cans are restricted, (2) Requirements for canned goods for military and lend-lease purposes have greatly increased, and (3) With incomes much higher than in recent years, and with prices regulated by ceilings, consumers are financially able to purchase more canned goods than usual.

Fruits and vegetables can be processed without using tin cans. Glass jars have been substituted in some cases, although it is difficult to obtain with glass jars the satisfactory vacuum seal for the "sanitary pack" required for most items. Several new-type glass jars and sealing devices are being worked on, but the short supply of rubber and machinery for converting to glass limits the amount of expansion possible here. Dehydration, another form of processing, is undergoing tremendous wartime expansion, but the need for dried fruits and vegetables for military and lend-lease use is so great that little or none of the increased production from this source can be made available to civilians.

So far as off-season supplies for civilian consumption are concerned, therefore, freezing now appears to be the form of processing fruits and vegetables which offers the best prospects for large expansion during the war. Consumers in many parts of the country are familiar with various brands of frozen fruits and vegetables that have been on the market for some time. Products to be frozen are selected, washed, and otherwise prepared, and

then "quick-frozen." The finished products are distributed through various wholesale and retail channels, packed in cartons designed to promote retention of moisture and other desirable qualities during storage.

ALTHOUGH the volume of frozen fruits and vegetables sold in past years has been large, and is expanding rapidly, it represents a very small proportion of the total consumption of fruits and vegetables. To expand the established industry enough to make up for the deficit in canned goods for civilians, of course, would require large amounts of critical materials. In addition, other major difficulties would be encountered. Many of these difficulties might be avoided, however, and larger frozen food production be obtained, through converting a portion of the facilities of the ice cream industry to the production and distribution of frozen fruits and vegetables.

The ice cream industry, like the canning industry, has been running into difficulties arising out of the shortages of raw materials. Sugar, butterfat, milk solids, and other ingredients of ice cream are among the foods for which the supply situation is most critical. The Government has had to limit the use of these materials by ice cream manufacturers in 1943 to approximately 65 percent of the quantities consumed during the corresponding months of 1942. Although manufacturers, by making adjustments in the butterfat and milk solids content of their product and by increasing their output of ices and sherbets, will be able to bring their total gallonage above the indicated percentage of last year's sales, a considerable proportion of the facilities of the industry will be available for other uses. Many manu-

facturers might find it highly advantageous to have a new line of business to supplement their regular operations. This is particularly true of products to be sold during the winter.

THE International Association of Ice Cream Manufacturers and several of its member firms have co-operated with the Division of Marketing and Transportation Research, Bureau of Agricultural Economics, in tests to determine the practicability of using the existing equipment for this purpose, and to ascertain the amount of equipment that is available. These tests indicate that freezing of fruits and vegetables in present plants is quite practicable, and that satisfactory products can be obtained. Products frozen by various methods have been tested, with encouraging results. The freezing can be done in a number of ways. Appearance of the product is excellent, and it is unlikely that consumers could perceive any difference between products frozen with special equipment and those frozen with equipment already possessed by ice cream plants.

To determine the costs of such processing in ice cream manufacturing establishments is difficult, because all operations to date have been conducted purely on an experimental basis. There is reason to believe, however, that these costs would be low enough to permit ready movement of the products into consuming channels.

From the standpoint of distribution to consumers, the ice cream industry is well situated for handling frozen foods. Many grocery stores have refrigerator cabinets for the sale of ice cream, and other types of stores also could handle the product, if necessary. Trucks now used for ice cream could be used for delivery of frozen fruits and vegetables. As the distribution facilities of ice cream companies are not used to capacity during the winter months, when fresh fruits and vegetables are scarcest, additional manpower requirements would be relatively small.

TWO problems must be solved, however, before there can be any substantial conversion of the ice cream industry to the handling of fruits and vegetables. The first of these is the difficulty of storing the products from the summer and fall seasons in which they are produced into the winter and spring months when they would be consumed. The industry's total capacity for storage at temperatures of zero or below is large enough to handle a tremendous quantity of fruits and vegetables. Although the hardening rooms of the ice cream industry are fully utilized only during a short period of the year, the storing of fruits and vegetables in them would make it practically impossible to continue the regular ice cream trade. Consequently, some other means of storing the products would have to be found.

A solution to this problem may lie in the use of the tremendous amount of unused ice-storage facilities available in practically all parts of the country. Changes in the ice-manufacturing industry in recent years have left it with much unused storage and refrigerating capacity. Although it would take considerable lumber and some amount of scarce materials to convert these storage facilities, the money cost would not be prohibitive and the engineering problems would be relatively simple.

The second and more important of these problems is the obtaining of adequate supplies of raw fruits and vegetables and their proper preparation for freezing. The ice cream companies do not have fully suitable equipment for cleaning, blanching, and otherwise preparing the products for freezing, and in any event would be reluctant to carry on such operations in their plants. Odors from the vegetables being prepared might contaminate the cream and other products used in ice cream operations. For these reasons, it might be desirable to use the already available facilities of the canning industry for these purposes. The canners, too, would be best able to effect arrangements with producers of

fruits and vegetables, with whom they are already in contact and accustomed to deal. The canners have all of the equipment necessary for handling the products preparatory to final processing. Some canners, however, might not be anxious to cooperate in such an endeavor, since frozen foods would offer possible peacetime competition with their own business.

POSSIBILITIES for conversion of the ice cream industry to handling fruits and vegetables are further complicated by the difficulty of providing a sufficient quantity of raw materials. Farm labor of the kind required for the production and harvesting of fruits and vegetables is scarce. Alternative opportunities for the use of land and labor are plentiful and attractive, and arrangements generally must be made well in advance of the producing season. For this reason, principally, it is doubtful that any large volume of frozen fruits and vegetables will be handled by the ice cream industry in 1943. Some individual ice cream manufacturers, however, may be able

because of particular local situations to obtain adequate supplies of fruits and vegetables for freezing.

The number able to do this would be much larger if arrangements could be made for converting ice storage warehouses to the storage of the frozen products. The problems of financing, amortization, etc., involved are similar to those found in connection with many other wartime conversions.

In any event, the experiments which have been conducted furnish a basis for effective action designed to utilize the fruit and vegetable crops of 1944 and subsequent years, in case the war should be prolonged and it becomes necessary to reduce still further the quantities of tin made available for civilian use. The ice cream industry, by further pilot plant operations in the freezing of fruits and vegetables in 1943, will place itself in a position to cooperate effectively in any such matter in case this kind of shift is necessary in 1944.

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Bureau of Agricultural Economics.

ACREAGE PROSPECTS THIS YEAR

FARMERS on March 1 were planning increases over their 1942 acreages of beans, oil seeds, corn and various other crops to meet war production goals, according to the annual March prospective plantings survey of the Crop Reporting Board. Total crop acreage, as result, would be larger than last year.

A strong effort to increase production notwithstanding difficulties is reported from all parts of the country. Since crop conditions now appear generally favorable except for a shortage of surface moisture in parts of the Southwest, crop losses in 1943 probably will be moderate. Total acreage of crops harvested this year may be the largest since 1932. The March 1 reports, however, should be considered as representing plans at that time, before farmers had made full adjust-

ment to recent changes in the agricultural program.

If farmers' plans on March 1 are reflected in production as completely as usual, acreages planted to beans and peas will be increased 16 and 35 percent, respectively, over those planted last year. On the same basis, acreages of soybeans, peanuts, and flaxseed, needed for oils and oilmeals will be increased 10, 12½, and 29 percent respectively. These increases would result in by far the largest acreages on record for each of these 5 crops. Acreages in potatoes and sweetpotatoes—important war foods—will be increased 14 and 15 percent respectively. The acreage of corn, grown chiefly for feeding livestock, will be increased more than 6 percent to nearly 97,000,000 acres.

Farmers have planted or were planning almost the same acreages of oats, barley, and rice as were planted for harvest last year. They were planning to increase spring wheat 4 percent, but this increase would only partially offset the decrease in seeded acreage of winter wheat. They planned to increase the total acreage of sorghums about 3 percent, with a greatly increased proportion of the sorghum acreage being grain sorghum varieties, and a smaller percentage in sweet sorghums.

ACREAGE planned for tame hay crops is about as large as that cut last year. However, farmers in the Corn Belt plan to reduce hay about three-fourths million acres in order to increase corn. Farmers in the South will increase their hay crops by saving the vines from their increased acreage of peanuts. Tobacco acreage prospects indicate an increase of less than 2 percent. Chiefly because of the substitution of peanuts and soybeans for cowpeas in the South, farmers expect to reduce cowpea acreage by 13 percent. Acreage of sugar beets probably will be reduced nearly 30 percent, because of the large amount of labor required to take care of sugar beets, the favorable prospects offered by alternative war crops, and other factors.

Total acreage planned for these crops amounts to about 279,000,000 acres, an increase of nearly 10,000,000 acres over last year. More than half this increase is explained by the increase of nearly 6 million acres planned for corn. Another 3.3 million acres of the increase comes from the larger acreages in the 3 oilseeds—soybeans, peanuts, and flaxseed. These increases are not likely to cause a corresponding increase in the total acreage of crops, as there will probably be less winter wheat and rye left for harvest than last year.

Farmers on March 1 apparently were planning to plant close to the goals or suggested acreages of the Department for wheat, soybeans for

beans, grain sorghum, tobacco, and hay. They planned to exceed the recommended acreages for flaxseed, rice, oats, and barley by more than 7 million acres, but would fall a little short of the goals for corn and potatoes and considerably short for peanuts, sugar beets, dry beans, dry peas, and sweetpotatoes. Upward adjustments in acreage were still possible, however, especially as many farmers made returns before getting full information on the removal of restrictions on wheat, and before the announcement of permission to increase planted acreage of cotton up to 110 percent of allotments and to increase acreages in certain types of tobacco. Other considerations may also bring about readjustments after March 1, as has happened in other years.

RATHER sharp regional differences exist in the adjustments that farmers are making to meet the new conditions. In the North Atlantic States, Michigan and Wisconsin, acreages of potatoes and canning vegetables and some specialized crops are expected to be increased. Some local increases in feed crops may be made here, but farmers and their families are finding it hard to earn as much on farms as they can in the nearby factories. As result, the number of farms is tending to decline and the acreage of crops will be maintained with difficulty. In California, where the labor problem is even more acute, a reduction of almost 3 percent is in prospect. Similar conditions prevail elsewhere in areas near booming industrial plants and munition factories.

In the main Corn Belt, farmers plan substantial increases in corn and soybeans and decreases in hay and pasture. Most farmers operating large acreages in this area have tractors and power equipment that can be worked additional hours if necessary. In most of the area the demand for additional cropland is strong and crop acreage is likely to be one of the largest in history. In the Great Plains area west of the main Corn Belt, a sub-

stantially increased acreage of crops is planned, but the total will probably be 11 million acres below the level in predrought years.

In the South, plans on March 1 called for large increases in peanuts and sweetpotatoes and a slight further increase in the total crop acreage. Reports on early vegetables in the Southern States, Arizona and California, including about a third of the commercial vegetables grown for fresh market in the United States, show plantings 11 percent below the acreage harvested last year. The chief reductions are indicated in the early crops of onions, tomatoes, peas, and cabbage.

IN much of western Texas and Oklahoma, however, the acreage planned cannot be planted unless the present lack of surface moisture is adequately relieved by planting time. West of the Rockies, the strong demand for hay and grain for maintaining the increased numbers of livestock, the demand for the specialty crops of this area, and the generally favorable irrigation water supply are helping to increase crop acreages above those of previous years, except in localities where shortage of labor is acute.

Farm manpower is now at the lowest level in the 19 years for which estimates are available. As the number of horses and mules on the farms is also lower than at any time in 60 years and few new tractors are available, the extra field work required this year can be accomplished only by working available mechanical equipment more hours per week. Although there will be a smaller than usual reserve of men and machines with which to meet emergency situations, farmers appear to be confident that planting and cultivating of most of the crop increases now planned can be accomplished under average conditions. The reduction of manpower on the farms is no doubt considerable, even though more members of the farm families than ordinarily

are lending a hand. The strong demand for tractors and tractor equipment in all parts of the country indicates that a larger number of tractors could be operated than are available.

Problems of harvesting the slightly increased acreage of crops this year may be serious if yields are again high. With just average weather, however, crop yields per acre are likely to be about 12 percent below the exceptionally high records set last year. Allowing for this probability of lower yields, for indications of a slightly increased acreage harvested, and for a slight shift towards more valuable crops the present outlook is for aggregate crop production this season of about 9 percent below last year's output. This would not mean a corresponding decrease in the amount of labor required for harvesting, but it would tend to keep the harvest labor problem local and seasonal in nature, rather than national.

In spite of the indicated decrease in crop production, total food production probably will be somewhat larger than last year, because of the large increase expected in livestock production.

PROSPECTIVE planted acreage of corn in 1943 is 96,827,000 acres, the largest since 1937. This acreage would be 6 percent more than the 91,011,000 acres planted in 1942, but nearly 2 percent less than the 10-year (1932-41) average of 98,524,000 acres. Substantial increases in acreage are indicated for the important corn-growing States of the northern part of the country, but elsewhere changes in acreage from last year were varied—with decreases in prospect for some Southern States. The prospective acreage exceeds the goal of 95,000,000 acres announced in December, but is below the 100,000,000 acres requested by the Department when corn acreage allotments were lifted.

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Economic Trends Affecting Agriculture

Year and month	Industrial production (1935- 39= 100) ¹	Income of in- dustrial workers (1935- 39= 100) ²	Cost of living (1935- 39= 100) ³	1910-14=100					
				Whole- sale prices of all com- modities ⁴	Prices paid by farmers for commodities used in—			Prices paid, interest, and taxes	Farm wage rates
					Living	Produc- tion	Living and pro- duction		
1925.....	90	126	125	151	163	147	156	170	176
1926.....	96	131	126	146	162	146	155	168	179
1927.....	95	127	124	139	160	144	153	166	179
1928.....	99	126	123	141	160	148	155	168	179
1929.....	110	134	122	139	159	147	154	167	180
1930.....	91	110	119	126	150	141	146	160	167
1931.....	75	84	109	107	128	123	126	140	130
1932.....	58	58	98	95	108	109	108	122	96
1933.....	69	61	92	96	108	108	108	118	85
1934.....	75	76	96	109	122	123	122	128	95
1935.....	87	86	98	117	124	127	125	130	103
1936.....	103	100	99	118	123	125	124	128	111
1937.....	113	117	103	126	128	136	131	134	126
1938.....	89	91	101	115	122	125	123	127	125
1939.....	108	105	99	113	120	122	121	125	123
1940.....	123	119	100	115	121	124	122	126	126
1941.....	156	169	105	127	131	131	131	134	154
1942.....	180	238	116	144	154	149	152	152	201
1942—March.....	172	208	114	142	150	149	150	150	167
April.....	173	218	115	144	152	149	151	151	177
May.....	174	225	116	144	153	150	152	152	-----
June.....	176	234	116	144	154	150	152	152	183
July.....	178	247	117	144	154	150	152	152	202
August.....	183	251	118	145	155	150	153	152	-----
September.....	186	255	118	145	157	151	154	153	-----
October.....	190	259	119	146	158	151	155	154	220
November.....	194	273	120	146	160	151	156	155	-----
December.....	197	279	120	147	162	153	158	156	-----
1943—January.....	⁵ 199	291	121	149	163	155	160	158	223
February.....	203	286	121	150	165	157	162	160	-----
March.....	-----	-----	-----	151	167	158	163	161	-----

Year and month	Index of prices received by farmers (August 1909–July 1914=100)								Ratio, prices received to prices paid, interest and taxes
	Grains	Cotton and cotton-seed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs	All groups	
1925.....	157	177	172	153	141	153	163	156	92
1926.....	131	122	138	143	147	152	159	145	86
1927.....	128	128	144	121	140	155	144	139	84
1928.....	130	152	176	159	151	158	153	149	89
1929.....	120	144	141	149	156	157	162	146	87
1930.....	100	102	162	140	134	137	129	126	79
1931.....	63	63	98	117	92	108	100	87	62
1932.....	44	47	82	102	63	83	82	65	53
1933.....	62	64	74	105	60	82	75	70	59
1934.....	93	99	100	103	68	95	89	90	70
1935.....	103	101	91	125	117	108	117	108	83
1936.....	108	100	100	111	119	119	115	114	89
1937.....	126	95	122	123	132	124	111	121	90
1938.....	74	70	73	101	114	109	108	95	75
1939.....	72	73	77	105	110	104	94	92	74
1940.....	85	81	79	114	108	113	96	98	78
1941.....	96	113	92	144	144	131	122	122	91
1942.....	119	155	125	199	189	152	151	157	103
1942—March.....	122	151	111	136	180	144	130	146	97
April.....	120	158	118	158	190	142	131	150	99
May.....	120	159	131	152	189	143	134	152	100
June.....	116	153	148	169	191	141	137	151	99
July.....	115	155	131	200	193	144	145	154	101
August.....	115	151	126	256	200	151	156	163	107
September.....	119	156	129	191	195	156	166	163	107
October.....	117	158	134	226	200	165	173	169	110
November.....	117	160	127	238	197	171	178	169	109
December.....	124	162	151	293	196	175	183	178	114
1943—January.....	134	164	139	277	205	177	185	182	115
February.....	138	163	156	301	214	179	170	178	111
March.....	143	166	172	302	218	180	171	182	113

¹ Federal Reserve Board, adjusted for seasonal variation. Revised September 1941.

² Total income, adjusted for seasonal variation. Revised March 1943.

³ Bureau of Labor Statistics.

⁴ Bureau of Labor Statistics index with 1926=100, divided by its 1910-14 average of 68.5.

⁵ Revised.

NOTE.—The index numbers of industrial production and of industrial workers' income shown above are not comparable in several respects. The production index includes only mining and manufacturing; the income index also includes transportation. The production index is based on volume only, whereas the income index is affected by wage rates as well as by time worked. There is usually a time lag between changes in volume of production and workers' income, since output can be increased or decreased to some extent without much change in the number of workers.